

REPRESENTATIVE VIEWS OF SOME HIGH CLASS RESIDENTIAL SECTIONS IN HARLEM WHICH ENJOY A GOOD DEMAND.



LOOKING NORTH IN LENOX AVE. FROM 120TH ST.



THE ASTOR ROW IN 130TH ST. BETWEEN LENOX AND 5TH AVES.



PRIVATE RESIDENCES IN 130TH ST. BETWEEN 7TH AND LENOX AVES.



HOME OF JOHN DWIGHT, N.W. COR. 123RD ST. AND MT. MORRIS PK. WEST.



LOOKING WEST FROM MT. MORRIS PARK ALONG 121ST ST.

Some Improvement Noted in the Market for Real Estate

Present Outlook Is for a Long Period of Dulness, with Prices for Investment Property Well Sustained.

WEAKNESS IN HIGHLY SPECULATIVE SECTIONS

Expensive Private Houses Threatened with a Decline in Value—Office Building Rentals May Decrease—Flats and Tenements Have a Strong Position.

Real estate conditions improved a trifle last week, both in point of activity and in point of the character of the properties sold. The fact hardly justifies any jubilation, for the atmosphere would have had to be blue indeed to be less attractive than that of the preceding week. Furthermore, there is no reason to believe that the month of August will show a continuance of improvement. Persons who can afford to do so are getting out of town in numbers, and the season when realty demand is normally at its lowest ebb has arrived. If August is quiet in boom years, what chance has it of being lively with the existence of a general disposition to wait and see what is going to turn up?

Things have reached a state, however, when sensible men can find good evidence on which to base an opinion of the outlook. Some bad features have been almost or quite eliminated and others are just as prominent and distressing as at any time since the upward rush of prices was checked. But it is at length quite possible to get some idea of how the market stands and what are its prospects.

Briefly speaking, the outlook is for a long dull period ahead, with declining prices for private dwellings of the more expensive sort and firmly maintained prices for investment properties and building plots suitable for investment. A few weeks ago the assertion was made in these columns that good flat and tenement properties and loft buildings were safe to buy. The assertion undoubtedly holds true. It must be understood, however, that the purchases are to be based on the revenue producing capacity of the properties, if they are to be safe, and the prices must be adjusted with a prudent eye to the possibility of vacancies, where the parcel concerned is already improved or is bought because suitable for improvement.

land value. Yet the shrewd buyer of to-day, in view of the unsettled feeling abroad, refuses to pay more than the present earning capacity of an investment parcel justifies. Business Outlook a Cause of Worry. Wherever thoughtful men meet nowadays their conversation is likely to turn in short order to the topic which is truly of fundamental importance to real estate—the business outlook of the country. How far the liquidation in Wall street will go, how likely its results are to spread into the channels of trade, how well the crops will turn out, how independent is the position of the West, how far public speculation has gone—questions like these are uppermost in everyone's mind. Real estate men of intelligence are, of course, intensely interested in them. Everyone admits that the market has had a great deal of speculation in the last two years and that prices have advanced with startling rapidity. It is the very fact of this speculation and this advance which leads men to doubt the market's strength.

Now to reach anything like a clear idea of real estate's immediate future it is necessary to first determine whether the present spasm in the financial world will reach very far into general business. It is difficult to prove by past experience that it will. The panics of 1819, 1837, 1857 and 1873 were all traceable to one or another form of speculation—not confined to Wall street, but spreading throughout the country and to all classes of the community—in excess of anything that seems to have been prevalent in the last six years.

The country has had great industrial activity in the last six years and has nourished extraordinary corporate inflation schemes and stock speculation in Wall street. But it is hardly fair to say that the country as a whole has dabbled in stock speculation as it dabbled in mercantile, real estate, banking and railway speculation in the great panic years. It may be maintained that merchants have unduly extended their credits—in other words, that a period of mercantile inflation has been indulged in. But if this extension has really reached a point where a great industrial explosion is threatened it is certainly odd that, after seven months' liquidation and losses in Wall street, the unsound condition of general business has not been exposed. No other great American panic ever came on in this way.

As for the commercial cataclysm of 1893 it must be remembered that it was precipitated

chiefly by the watering of the national currency system, which had gone on ever since the passage of the Bland silver act in 1878. The present currency system is justly condemned as inelastic, but no one accuses it of inflation.

In contrast to the genuine commercial panics, to which reference has been made, may be placed the smash of 1884, brought on by the failure of Grant & Ward, and the breaking of the Marine Bank in May, the concomitant exposure of Ferdinand Ward's enormous frauds, and the shaking of confidence due to the looting of the Sixth National Bank by John C. Enos.

There was a tremendous fall in Wall street prices in the early part of this year, but the country suffered no great commercial depression, and the stock market decline was checked in the summer. Furthermore, the early half of 1888 saw a crumbling of securities prices about as bad as that of the present year, but the country was prosperous.

It will be found hard to discover in the records of business in the United States a case in which a mere stock market decline has precipitated a serious and widespread business depression. Unless business is adversely affected, rents of almost every class will be maintained, and good rents keep up values of real estate.

Where the Market Is Weak. With a heavy immigration and a brisk real estate trade in this city, tenements, flats, loft buildings and good modern apartment houses will continue to pay well. For the same reason, now that the building strike is being settled, plots suitable for improvement with these structures will maintain their value. But how expensive private houses and large office buildings and hotels of the highest character can escape the effects of the losses made in Wall street this year is hard to tell. In private dwellings in the Sixties and Seventies, just east of Central Park speculation has gone great lengths since 1901. This is not the first time the fact has been pointed out in these columns. Men who might have afforded thirty foot American basement houses six months ago will now be glad to live in twenty foot brown stone fronts. Some of those who figured on brown stone fronts last Christmas will be quite content with moderate priced apartments now.

Firms and individuals who occupied half floors in downtown office buildings will find smaller quarters possible, and men who rented moderate offices may in some instances get along with desk room in the offices of others. It is also possible that shopkeepers who sell high priced luxuries may find it impracticable to pay the rents heretofore obtainable in Fifth avenue.

But the people of the city will still have to eat and sleep and work, and will need places to eat and sleep and work in. The moderate priced apartment house may profit by the loss of the expensive hotel and the Sixth avenue shopkeepers be surprised by customers who hitherto patronized establishments less designed to promote economy.

As for those districts where realty prices have been shoved to a figure not justified by earning capacity, there is likely to be some unloading by speculators. It is not fair to say that these sections comprise a very large proportion of the city's area. But there are some of them. In the Longacre square neighborhood, for instance, values have been strikingly boosted. A man might purchase a seventy-five foot plot in the Forties near Broadway at present figures, build a nine story apartment hotel on it and have a good investment. But if all of the available land in the section were improved that way the supply would greatly exceed the demand and bankrupt builders be as thick as blackberries in July. Furthermore, no amount of diversity of improvement could bring all of this land into a condition where it would all pay fair revenue on prevailing prices. Fortunately it is not all in the hands of speculators.

To sum up the situation:—Good investment properties in real estate are in demand and will continue to be in sufficient demand to support their values, while expensive private houses and highly speculative properties occupy a position of marked weakness. With the approach of the taxpaying period and the hot weather the market is likely to be quiet. Indeed, it will be many months before the shrewd student of market conditions can again discover an unreasonable boom. Such properties as well located five story flats, which appeal to the moderate investor, will, to say the least, not suffer because the public has been warned of the dangers of dealing in stocks.

Recent Improvement Noticed in Demand for Harlem Dwellings

The Houses Are Being Fairly Rented, but Do Not Attract Investors as a Class—Changes Apparent in the Last Ten Years.

It is a general but erroneous belief that that part of the city known as Harlem is entirely devoted to flat and apartment houses and to business structures, and that it is entirely devoid of private residences. This is indeed very far from the truth, and the pictures presented herewith in the HERALD convey to some extent an idea of the residences of which Harlem may boast.

Harlem, of course, cannot be called a private residence section, but it does contain something besides the flats which furnish material for the joke writers. Believers in the section freely acknowledge that it is upon flats, apartments and business structures that the present prosperity of Harlem really is based. And, too, it is not likely that this condition will be radically changed in the years to come. Still, it is noteworthy that there are scores and even hundreds of private dwellings located in this populous part of New York which compare favorably with the homes of citizens living in the private residential sections farther down town. Moreover, brokers declare that there has not been in several years such an unprecedented demand for private residences in Harlem as exists today. There are several interesting phases of the situation.

When private homes of Harlem are spoken of, it is invariably the Mount Morris Park section which comes in for first comment. It is an attractive residential district still, but hardly what it used to be in the days when there inhabited it some of the leading lights of Tammany Hall, and when Mount Morris Park itself buzzed with political talk as the sachems gathered there on the benches in the cool evenings. Some prominent men still live there. The home of former Mayor Thomas F. Gilroy is at No. 7 West 121st street. Former Postmaster Charles W. Dayton lives at No. 13 Mount Morris Park West, and at the northwest corner of 124th street and Mount Morris Park West is the \$100,000 home of John Dwight. The houses bordering the park are mostly four story brown stone front dwellings, as sombre and respectable as anything that the Fifth avenue section can show. They never lack tenants, but not so large a percentage of them is occupied by owners as was the case ten years ago. At that time \$50,000 was not considered a high price to pay for a dwelling facing on Mount Morris Park. That figure to-day is very exceptional.

Change in the Private Dwelling Market. Just here may be noted, in general, the keynote of Harlem's history in the last decade. Dwellings ten years ago were scarce, also rather high priced in the park section, and there was only a small demand for them. The situation now is that dwellings are more plentiful, cheaper and meet with a larger demand. To size up the situation in a few words, there is a large demand for Harlem residences in the sections which have acquired or retained a certain residential character, but the demand produces only moderate prices. It is not easy to summarize the prices of Harlem's private residences, because of the diversified character of their locations. Years ago there was a notable amount of building in the line of three and four story brown stone front dwellings in Harlem. Sometimes a whole block front of them was built, and then again some venturesome builder would acquire only half a block as a site for his speculative residences, trusting to another to take up the part remaining and improve it as he had done.

But the flat house and apartment tendency came on speedily. The flat furor seized upon these residential sections. And so it is to-day that many really high class dwellings are intermingled with rather ordinary flat houses. This has meant a decrease from the old rents of the dwellings in most cases, and the boarding house keeps often holds full sway in such localities. Some portions of Manhattan, Lenox and Seventh avenues bear witness to this. Houses are sometimes rented there as high as \$300 a year, but these cases are rare.

In the side streets above 125th street some activity in private house building has been shown recently. For instance, in 128th street, between Seventh and Eighth avenues, and in 130th street, between Lenox and Seventh avenues, long rows of well built dwellings have arisen rather lately. These are renting very well, the agents say. A well known row of dwellings is the Astor row, in the south side of 130th street, between Fifth and Lenox avenues, a picture of which is shown herewith. They are semi-detached three story dwellings, with green lawns in front. They rent for a little less than \$100 a year. They are all rented. The last one was taken the other day at \$1,000 a year.

Unquestionably the choicest section of private dwellings in Harlem is that in and to the west of Mount Morris Park, between 119th and 124th streets, over to Seventh avenue. Many of the houses here bring \$1,500 a year.

Harlem Dwellings Don't Appeal Strongly to Investors. It is not likely that private dwellings will ever become a popular form of investment in Harlem, although some few particular localities will probably digest a little more building in that line. The land value cannot be fully developed by anything but flat and apartment house enterprises. In the Mount Morris Park section, where there will do families still hold sway, there have been built some apartment houses, of a high class, however.

For the firm of Porter & Co., Mr. Short said, in discussing the situation:—"There are some fine private dwellings in Harlem to-day, but it is not likely that these will increase very much, although the building of moderate priced houses has proved profitable in recent years. Land in the close residential districts is too scarce now to permit of much private residence building, and few builders will hazard the development of new sections of this kind."